

Testimony of Penelope W. Kyle
President, North American Association of State & Provincial Lotteries
Executive Director, Virginia Lottery
July 12, 2001

Good morning Madame Chairwoman. My name is Penelope Kyle and I am the President of NASPL—the North American Association of State & Provincial Lotteries, as well as the Executive Director of the Virginia Lottery. I greatly appreciate the opportunity to testify before you this afternoon regarding your interest in Internet gambling. I come here today, not to represent the Virginia Lottery, but rather to act in my official role as spokesperson for NASPL, which represents the interests of lotteries in 38 states and the District of Columbia, in addition to the Canadian Provincial Lotteries, the Virgin Island Lotteries, the Jamaican Lottery and the Lottery in Puerto Rico.

I should first say that NASPL applauds your committee and the other relevant congressional committees for addressing the issue of illegal and unregulated Internet wagering. As state lottery directors, our NASPL members operate under some of the most stringent legal and security standards in the world. We do this because we believe it is in our best interest if we are to maintain the high level of public trust we have gained from the citizens of our states. Therefore, your efforts to outlaw illegal Internet operations should be supported by those of us who are playing by the legal wagering rules.

It should be noted that NASPL does not have a “for or against” position on Internet gambling. It is the position of NASPL that each individual state should determine the regulation of forms of gaming, as well as the methods in which they are offered to the citizens of that state. My goal in coming before your committee today is to make one key point to members of Congress: NASPL would not support any Internet legislation that would preempt the right of the nation’s governors and state legislators to authorize and regulate gaming within their borders. Since the inception of the New Hampshire Lottery in 1964, state governments have held the right to authorize and regulate their state lotteries, raising billions of dollars for good causes such as education, the environment and senior citizen programs.

NASPL stands in agreement with the National Governors' Association, which has written:

“States possess the authority to regulate gambling within their own borders and must continue to be allowed to do so. An incursion into this area with respect to online gambling would establish a dangerous precedent with respect to gambling in general as well as broader principles of state sovereignty.”

It should be noted that there are several state lottery members of NASPL who are opposed to offering state lottery games over the Internet. These states feel strongly about this issue and would oppose any attempt to authorize such games. On the other hand, there are some NASPL state lottery members who feel that there may come a time in the future when it is appropriate to offer such games. I make this point, Madame Chairwoman, to illustrate an important common theme among our membership: we may not all agree on the value or appropriateness of Internet lottery games, but we ARE united in the belief that it should be clearly a state's right to authorize and regulate its own lottery.

In conclusion, I would ask that this committee and other relevant committees respect the historical right of states to authorize and regulate gaming within their own borders.

Madame Chairwoman, I thank you again for allowing me to offer these views and opinions on behalf of the North American Lottery Industry.